

GUIDE TO THE KEY CONTINUING OBLIGATIONS OF AIX TRADING MEMBERS (version 1.0)

Nur-Sultan, Kazakhstan
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1. INTRODUCTION

This Guide outlines the key obligations of AIX Trading Members (“Members”). This Guide does not contain a comprehensive explanation of all of the AIFC laws and regulations that are applicable to AIFC Participants. It is intended to be a general overview of the key continuing obligations applying to Members under the [AIX Business Rules](#) and [AIX CSD Business Rules](#) (together referred to as “Business Rules”) in relation to their activities on AIX Markets and should not be relied on for any other purpose.

The capitalized terms shall have the meaning assigned to them in the AIX Business Rules Glossary or AIX CSD Business Rules Glossary, or if not defined there, have the meaning given in the AIFC Glossary.

1.1. Members

AIX may only admit as its Member:

- ✓ **an Authorised Firm** – a legal entity or branch, which is incorporated and operate in AIFC and is licensed by Astana Financial Services Authority (AFSA) under the [AIFC General Rules](#);
- ✓ **a Recognised Non-AIFC Member (“RNAM”)** – a legal entity, which operates in, but incorporated outside, the AIFC and is recognized by AFSA under the [AIFC Recognition Rules](#).

All Members will also be connected as AIX CSD Participant Member to the post-trade system.

1.2. Oversight Authority

All Members are subject to a two-tier supervision by:

- ✓ **AFSA**, in case of AIFC entities and branches, or a **Financial Services Regulator** of their home jurisdiction, in case of non-AIFC entities, in relation to their compliance with licensing requirements; and
- ✓ **AIX Regulation & Compliance (“R&C”)** in relation to Members’ activities on AIX Markets and respective continuing obligations under the Business Rules.

R&C operates under a self-regulatory (“SRO”) model and performs certain front-line regulatory functions under supervision of AIX Board of Directors and AFSA. R&C monitors compliance of Members with the Business Rules. Contravention of the Business Rules is enforced by R&C under AIX Disciplinary Rules of AIX Business Rules (DCR). Please also refer to [Guidance on enforcement action](#) that can be taken by R&C.

Any dispute in relation to R&C’s regulatory decisions may be referred to the AIX Appeals Committee and thereafter to the AIFC Court as the final court of appeal.

2. KEY CONTINUING OBLIGATIONS

No.	Description	Rule	R&C Comments
General Eligibility Requirements			
1.	Commencement of business	MR1.6.2	Members shall commence business within 6 (six) months of the admission, otherwise AIX may revoke its Membership
2.	Annual Fees	BRG4 MR1.5.1 MR2.1(7) AIX Fee Schedule AIX CSD Rule 2.2.2(h), 2.5.3 AIX CSD Fee Schedule	Members pay yearly membership fee based on annual trade volume during the calendar year. The AIX membership fee is paid at the end of each calendar year. The AIX CSD annual fees are waived until further notice. For other charges please see Fee Schedules.
3.	License Effectiveness	MR1.2.1(1) MR2.1(3) REC Rules Schedule 3 (item 4) AIX CSD Rule 2.2.2(a), 2.3.2	Member's license, permission or authorisation which it requires to conduct regulated activity has not been revoked or modified in any way which would materially restrict the Member in performing regulated activity in its home territory or in the AIFC
4.	Recognition of non-AIFC license (for RNAMs only)	MR1.2.1(1) MR2.1(3) FSFR 91(3) REC Rules (Schedule 3 (item 6))	Absence of event or circumstances which causes or may cause revocation of RNAM status or the RNAM to fail to satisfy the Recognition Requirements
5.	Satisfactory AML Framework	MR1.3.2(xii) MR1.2.1(3) MR2.1(9) MR3.3 BRG18 AML Notice AIX CSD Rule 2.2.2(d), (l), (m); 2.5.4; 2.10.3	Members shall have: (i) AML policies, procedures and internal controls, which must be reviewed and updated on a regular basis; (ii) MLRO; (iii) AML recordkeeping for at least 6 (six) years from the date on which the business relationship ends or the transaction is completed, whichever occurs last; (iv) AML training program
6.	Satisfactory system for the execution, recording and reporting of trades	MR2.2(1) MR3.1	As part of AIX's market surveillance monitoring, R&C may request underlying

No.	Description	Rule	R&C Comments
		TRD3.3 TRD19	information about Transactions and clients' identity and review logs in Member's OMS
7.	Sufficient technology resources	MR1.2.1(4),(5) MR2.1(4) MR2.2(2) TRD3.1 STR2 AIX CSD Rule 2.2.2(e) AIX CSD Rule 2.5.1(c)	Connection to AIX Trading Facilities and AIX CSD clearing and settlement facilities
8.	Bank account with Settlement Bank	AIX CSD Rule 2.2.2(f)	AIX CSD determines designated Settlement Banks for conducting cash settlement
9.	Minimum Capital Requirement	MR2.4.2(ii) AIX CSD Rule 2.2.2(c) AIX CSD Rule 2.6.4 Notice on Minimum Capital Requirements	To trade on AIX Markets a Member must meet the Minimum Capital Requirements
10.	Management Fitness and Propriety	MR1.3.2(x) MR2.1(5) AIX CSD Rule 2.2.2(b)-(c)	Member should maintain sufficient personnel with adequate knowledge and competence to ensure the Member's compliance with the Business Rules
11.	AIFC Process Agent (for non-KZ RNAMs only)	MR1.2.2 AMI Rules 2.6.4(d)	Non-Kazakhstani RNAMs must appoint and maintain a process agent in the AIFC to receive court documents (if any)
12.	Specific undertakings and conditions	MR2.1(1) Membership Agreement	Member must comply with specific undertakings and conditions (if any) set out by R&C in the Membership Agreement
13.	Representative/ Responsible Person	MR6 AIX CSD Rule 2.2.2(i), 2.9	Member must appoint a designated Representative (MR6) and Responsible Person (AIX CSD Rule 2.9), who shall procure the Member to comply with and be bound by the Business Rules
Reporting and Notification Obligations			
14.	Significant Changes or Events	MR2.4 MR6.6 Default Rules	Member shall notify AIX about: (i) changes in the its profile to broker@aix.kz within 5 Business Days:

No.	Description	Rule	R&C Comments
		<p>AIX CSD Rule 2.6.1, 2.6.2; 2.2.2(j) and 2.12;</p> <p>For RNAMs: REC Rules (2.2.2, Schedule 3); AFSA Notice on REC Reporting</p>	<ul style="list-style-type: none"> - Name - Address - Legal structure - Controllers/shareholders (>10%) <p>(ii) significant events to broker@aix.kz immediately:</p> <ul style="list-style-type: none"> - Breach of Business Rules - Event of Default - Revocation or modification of license or authorisation - Investigations, litigation and sanctions - Changes in Directors (please include ID and CV) <p>(iii) Change requests for <i>Representative/ Responsible Person</i> must be addressed to broker@aix.kz. Template of a change request is available at AIX website 'AIX Membership' / 'Already a Member'</p> <p>(iv) Change requests for <i>Traders</i> must be addressed to mktops@aix.kz and signed off by the Representative. Template of a change request is available at AIX website 'AIX Membership' / 'Already a Member'</p> <p>(v) change requests in <i>Authorized Signatories</i> and <i>users</i> of Depository System must be addressed to PTD@aix.kz and signed off by the Responsible Person. Template of a change request is available at 'AIX Membership' / 'Already a Member'</p>
15.	Controllers	MR1.3.2(ix) AIX CSD Rule 2.2.2(b)	Persons that directly or indirectly have the ability to exercise control over 10% of the Member's shares or voting rights must be disclosed to AIX at broker@aix.kz
16.	OTC post-trade reporting	TRD2.3 TRD15 Notice on the Reporting of Off-the-Order Book transactions Waiver on Reporting Deadlines	Members that carry out trades in Admitted Securities off the Order Book are required to report such trades to AIX at TradeReporting@aix.kz before the end of the Business Day, on which the Transaction was executed. Template of a report is available at ' AIX Membership ' / ' Already a Member '
17.	Negotiated Deal Trades	TRD16 Notice on Negotiated Trades	Negotiated Deal Trades must be reported to AIX via the negotiated deal trade report functionality

No.	Description	Rule	R&C Comments
18.	Trading System Problem	TRD12.1	If a Member identifies a trading system problem, it must notify AIX immediately at it@aix.kz and mktops@aix.kz or hotline +77172647 300
19.	Annual Reports (for RNAMs only)	REC Rules (2.2.1, Schedule 3 (item 5)) AFSA Notice on REC Reporting FSFR 91(3) - Recognition Requirements	<p>Non-AIFC members (RNAMs) must provide annual report to AIX R&C at broker@aix.kz within 5 months after the end of the reporting year:</p> <ul style="list-style-type: none"> - Audited annual financials (consolidated financials, if applicable) - Copy of reports filed to home regulator relating to capital adequacy and AML framework; - Confirmation of compliance with Recognition Requirements. <p>For AIFC members, AIX R&C will generally obtain such information from AFSA as part of information exchange arrangement.</p>
20.	Annual Certification and KYC update (for all Members)	AIX Business Rules AIX CSD Business Rules AIFC AML Rules (6.4.1)	<p>To verify compliance with AIX Business Rules and AIFC AML Rules, AIX R&C will ask Members to complete annual Compliance Statements and return it to broker@aix.kz together with annual KYC update documents:</p> <ul style="list-style-type: none"> - updated organizational chart & ownership structure; - composition of the Board of Directors - proof of residency of Directors/CEO (not older than 6 months) - continuing undertakings (AIX CSD Rule 2.7) - capital adequacy statement - AML questionnaire
21.	Contact Details		<p>Keep up to date contact details of Member's contact person responsible for the Member's compliance matters: CEO, Responsible Person, Compliance Officer and/or MLRO. Please send contact details and changes thereto to AIX at broker@aix.kz</p>